



CLEAN WATER GRANT PROGRAM

INFORMATIONAL QUARTERLY BULLETIN

STATE WATER RESOURCES CONTROL BOARD

Division of Water Quality

Larry F. Walker, Chief

Manager, CLEAN WATER GRANT PROGRAM

P.O. BOX 100

SACRAMENTO, CALIFORNIA 95801



JUNE 1977

As a method of conveying general interest topics and facts pertaining to the Clean Water Grant Program, the Division of Water Quality is initiating an Informational Quarterly Bulletin. The Bulletins will contain news, developments, and facts from the EPA and the SWRCB.

Construction Grant Appropriation:

House and Senate conferees agreed April 26, to separate the jobs bill (HR 11) from proposed amendments to the Federal Water Pollution Control Act, ending a deadlock that had delayed congressional passage of an aspect of President Carter's economic stimulus package.

The agreement postpones further consideration of amendments to PL 92-500 until at least early summer and leaves the sewage treatment construction grants program with no funds authorized for fiscal year 1978. A \$1 billion supplemental appropriation for fiscal year 1977 was made on May 4. The \$1 billion for fiscal year 1977 provides California with \$82,391,000 for the construction of wastewater treatment facilities.

In addition, the agreement ends for now House-Senate discussions on: 1) extensions of the July 1, 1977, treatment deadline for both municipal and industrial dischargers, 2) an 18-month moratorium on collection of industrial cost recovery charges, 3) prohibitions on the use of ad valorem user charges, 4) extension of reimbursement eligibility for those communities which built treatment facilities with local funds, and 5) Army Corps of Engineers' jurisdiction over discharges of dredge or fill material into navigable waters.

Remaining Federal Funds:

As of April 30, 1977, unencumbered Federal funds allocated to California totaled approximately \$617 million; this excludes the fiscal 1977 supplemental appropriation. It is projected that these funds will be exhausted before September 30, 1977.

Remaining State Funds and Future State Funds:

The availability of State grant funds continues to be an issue adversely impacting the Clean Water Grant Program in California. The Division of Water Quality has previously indicated that State grant funds will be virtually exhausted by late 1977. This is still true assuming a new Federal appropriation is made to provide the Federal share.

Future State funding is provided for in the proposed Clean Water Bond Law of 1978, which is now before the State Legislature. A continuation of the $12\frac{1}{2}$ percent State grants is provided for in this bill which has already been approved by the Assembly Water Committee. If the bill receives legislative approval and the Governor's concurrence, the Clean Water Bond Law of 1978 will be placed before the voters in June 1978. This Bond Law has a provision for retroactively reimbursing municipalities for the State's share of facilities constructed without State grant assistance during the period when State funds are not available (after current State funds are exhausted and before the new bond issue is approved).

Clean Water Grant Acceleration Program:

In March 1975, Governor Brown authorized the Clean Water Grant Acceleration Program. The Governor's purpose was to expedite construction of grant projects to obtain: 1) a cleaner environment faster, 2) more jobs sooner, and 3) reduce inflationary costs. At that time a commitment was made to award \$1.7 billion in grants during 30 months -- April 1975 through September 1977. To achieve this commitment, efforts were expended to permit processing two years of grants each year during the 30 months.

With only a few months to go, it is now apparent that this accelerated program will exceed original expectations. Even more grant funds will be awarded and an estimated 44,000 new jobs will be created. Further information on the impressive results of this program may be found in the "Clean Water Grant Acceleration Program" brochure, April 1977, which is available through the SWRCB - Public Affairs Office.

Continued Integrity in the Clean Water Grant Program:

Last year, the State Water Resources Control Board retained Haskin and Sells, a Certified Public Accounting firm, to evaluate the Division of Water Quality's grants administration system and make recommendations to insure its reliability, integrity, quality, and efficiency. Haskin and Sells has completed their evaluation and a report of their findings and recommendations was recently submitted to the Board.

Significant findings include that "... the Clean Water Grant Program is properly operating within the general framework and objectives of the program and, to-date, has maintained a desirable level of program integrity. ... this has been achieved with a minimal level of staffing and application of resources."

The key recommendations to maintain program integrity were: 1) to increase the audit effort on construction projects from the current 12 to 15 man years to an audit staff of 65 by 1979, 2) develop an improved data management system for the grant program, and 3) tighten up on various procedures concerning inspections, change orders, payments, and communication. The Division of Water Quality is in the process of reviewing all recommendations. It is currently developing plans to implement those essential to maintain program integrity.

1976 Needs Survey:

"Cost Estimates for Construction of Publicly-Owned Wastewater Treatment Facilities" was submitted to Congress on February 10, 1977. The report is the culmination of efforts by the EPA to estimate costs to carry out the provisions of the Federal Water Pollution Control Act on a State-by-State basis. These latest estimates reflect a better formulated and more consistent survey methodology and the greater amounts of information now available.

Through the joint efforts of the SWRCB and the EPA, California's needs were reported by the EPA as follows:

<u>Needs Category</u>	<u>Millions of 1976 Dollars</u>
I (Secondary Treatment)	\$2,187
II (More Stringent Treatment)	1,184
IIIA (Infiltration/Inflow)	90
IIIB (Replacement and/or Rehabilitation)	9
IVA (New Collector Sewers)	838
IVB (New Interceptor Sewers)	847
V (Combined Sewer Overflows)	385
Total	\$5,544

JUNE 1977

-4-

These needs may, in part, be used to determine California's share of the next Federal appropriation. It is interesting to note that California's percentage of the National Totals is 5.7810 as compared to 5.7827 for the 1974 Needs Survey.

Employment:

In addition to major improvements to the environment, the Clean Water Grant Program provides a significant boost to the economy through the creation of new jobs.

At approximately the beginning of March, grantees reported a total of 3,425 construction employees working. This number of construction employees generates approximately 10,583 additional employees in related areas. Total grant project employees working at that time was, therefore, about 14,008.

SWRCB Priority List:

The State Board, at its regular meeting of May 19, 1977, adopted the Priority List for Fiscal Year 1977-78 and the statewide Five-Year Project List. The fundable section of the Priority List consists of 294 carry-over projects estimated to cost \$3,379,066,000 and 185 new projects estimated to cost \$191,795,000. The 185 new projects include 22 Step 1 reclamation projects (\$6 million), 27 collection system project (\$49 million) and two special consideration projects (\$1 million).

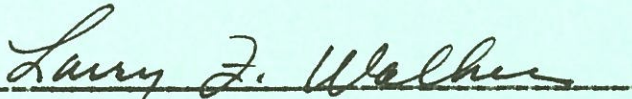
Clean Water Grant Program Regulations:

The State Board, at its regular meeting on May 19, 1977, adopted revisions to the State Regulations. In addition to providing conformance with current Federal regulations and current Division practices, the revisions also define an objective of the Clean Water Bond Laws to encourage the development of wastewater reclamation facilities. The most significant changes in the revisions include: 1) the establishment of a new project priority system, 2) the use of E-150 population projections in non-critical air areas, 3) provisions for a nominal reserve capacity for non-identifiable and unforeseeable industrial expansion, 4) provisions for capacity needed from all industries intending to increase their flows or relocate in a given service area, 5) a change in eligible land to include land for ultimate disposal of residue, including liquids and solids, 6) eligibility for capacity needed to service permanent residents occupying less than 30 percent of the dwellings in a given service area, and 7) a required analysis of water conservation and other alternative flow reduction measures and an implementation plan for carrying out all reasonable water conservation and flow reduction measures.

JUNE 1977

-5-

If you have any questions or comments relative to this Quarterly Informational Bulletin or future Bulletins, please contact John Adams at (916) 322-3414.

A handwritten signature in cursive script, reading "Larry F. Walker", is written over a horizontal line.

Larry F. Walker
Division Chief
Manager - Clean Water Grant Program

